THE INDIAN IDEAL

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THE INDIAN IDEAL

BEING
THE MAHADEO HARI WATHODKAR MEMORIAL LECTURES FOR 1952

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BY

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FOREWORD

This publication of Nagpur University contains the three Lectures on the various aspects of "India and the Ideal of a Welfare State", delivered in the *Mahadeo Hari Wathodkar Memorial Lectures Series* by Shri A. D. Gorwala. Shri Gorwala's distinguished services as an I. C. S. Officer, as a brilliant writer on public affairs and as an adviser on Public Administration to the National Planning Commission are well-known to the country. His study of our ideal of a Welfare State is permeated with an objective approach, a penetrating judgement and a realistic scholarship, which should prove equally valuable for the policy-makers, administrators and academic writers of our nation.

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Nagpur University.

Nagpur:
The 30th July, 1954.

LECTURE 1

Democracy and the Welfare State

Nagpur, 9th February 1953.

Mr. Chairman, Ladies and Gentlemen,

I regard it as a great privilege to have been asked to deliver these lectures and am duly thankful to the University authorities for the honour they have done me. I thank them all the more because they must have known that I am no academician. I cannot undertake to put before you in the terms, and with the refinements, proper to academicians the matters I deal with. You must regard me rather as a working journeyman to whom the theory of whatever little he knows has more often than not come through practice. Hardly ever have I been able to go the other way round. Therefore, if there appear to you flaws in what I say, you will no doubt extend your indulgence to me, recognising that I am not a person who has spent a life-time in the acquisition of theoretical knowledge.

The notices announcing this series of lectures term the theme "The Indian Ideal." This is a shortening of the proper title "India and the Ideal of a Welfare State." That is the broad subject we shall be dealing with today and on the two subsequent days. India attained Independence on the 15th August, 1947, and the people of India gave to themselves a Constitution on the 26th day of November, 1949. The avowed

purpose of this Constitution is to secure to all the citizens of India through a soveriegn democratic republic, social, economic and political justice, liberty of thought, expression, belief, faith and worship and equality of status and opportunity. The Constitution also proposes to promote fraternity among all citizens, thus assuring to us the dignity of the individual and the unity of the nation.

The importance of the independence of this country cannot be exagerated. Both from the point of view of the country itself and of the world as a whole, it marks the beginning of a new epoch. It gives Indians an opportunity for using their age-old experience in the widest spheres. We are at the beginning of a crucial phase in our history. This is not a time for patchwork.

With this in mind, let us turn to the central idea of these lectures. They attempt to deal briefly with some of the more important problems confronting India, which, having elected to be ruled by a democratic form of Government, aims at achieving the planned welfare of all its citizens. The emphasis is on a "democratic form of government" and "welfare". And what kind of welfare? Planned welfare. The aim thus is the planned welfare of all the citizens within the political conditions set by democracy. In this frame-work there must be extensive social and economic progress, so that the aim can be translated into reality. From this, several sets of problems arise. Among the more significant are those which are relatable to Democracy, Planning and Administration, three sub-divisions which form the subject-matter of the three lectures.

Democracy is embodied in the Constitution of India through various devices and means. First of all, we have the univer-

sal franchise. Every citizen of India who is not below 21 is entitled to be registered as a voter unless he is disqualified on the ground of non-residence or unsoundness of mind or has committed certain crimes. It is all very well to have a vote; but unless the election is free, there is not much point in the vote. Freedom of election is attempted to be maintained by providing that the executive authority who is to be in charge of the election, the Chief Election Commissioner, once having been appointed, is not to be removed from his office except on the ground of proved misbehaviour and then only on an Address of both the Houses of Parliament, the Address being carried not merely by a majority, but by a majority of two-thirds of the members present and voting and by the majority of the total membership of the House. Un order that the Chief Election Commissioner should not be influenced by fear of unfavourable treatment, it has been laid down that during the pendency of his appointment his terms of office shall not be varied to his disadvantage. To assist him, there are Election Commissioners working with him on the Election Commission; there are also Regional Election Commissioners. In order to ensure fair and disinterested treatment for these, it has been laid down that their dismissal or removal from office shall only be on the suggestion of the Chief Election Commissioner. Again, within the framework of the Constitution, there is a division of powers between the Centre and the States. And each state has an elected legislature and a government whose tenure of office depends upon its retaining a majority in the legislature. It seems to me that with free elections and state governments dependent on their own legislatures, the likelihood of the creation of a monolithic power in the country is greatly reduced.

Further, the framework of the Constitution allots to different authorities the functions of making a law and of interpret-

ing it. It sets up a separate Judiciary and attempts to ensure its independence by provisions very similar to those about the appointment and dismissal of the Election Commissioner and about the non-varying of the terms of service during tenure of office. In other words, what it establishes is a rule of law as a safeguard against any arbitrary action. The Constitution also describes in detail the various fundamental rights which constitute the total conception of liberty. These extend from equal protection of laws to the abolition of untouchability; from the prohibition of the employment of children in factories to the rights of minorities to establish and administer educational institutions and to have no discrimination practised against them. Now, that shows the wide variety and range of these fundamental rights which the Constitution lays down. In brief, the Constitution embodies all the features that go to make up those concepts of Justice and Liberty which are commonly understood to form the most important part of Democracy.

Turning next to the welfare idea, we find it also embodied at length in the Constitution. It is to be found principally in the Chapter dealing with the Directive Principles of State Policy. True, these principles are not enforceable in any court of law; but it is stated quite clearly that they are to be regarded as fundamental to the governance of the country and are to be kept continuously in mind in the making of all laws. The purpose of the State, according to these principles, is quite clearly the promotion of the welfare of the people by the creation and maintenance of a social order in which social, economic and political justice is to animate all the institutions of national life. This, in effect, means that the concept of equality has been put forward very firmly. Again, the duty of the

State to provide for the welfare of its citizens is emphasised together with its responsibility for bringing about a living wage, free and compulsory education for children, a proper level of nutrition and standard of living, improvement of public health, an adequate means of livelihood and just and humane conditions of work for all citizens. The aspiration of the State is to give to its citizens work, education, public assistance in cases of unemployment, old age, sickness, disablement and even of undeserved want, a decent standard of life, full enjoyment of leisure and social and cultural opportunities. This is the aim set out. In fact, the Constitution desires that all the five giants who block the road to reconstruction, namely, Want, Disease, Ignorance, Squalor and Idleness, should be destroyed. It recognises that present economic capacity and the lack of speedy economic development may set limits to the pace at which this desired end can be reached. But there is, no doubt as to its ultimate goal. Sometimes even a time-limit is set ; for example, ten years is laid down for the attainment of free and compulsory education. The Constitution is, therefore, very clear about the nature of the State which its farmers wish to create and also about the responsibility of those to whom is entrusted the power of government. They must so conduct the affairs of government as to bring about a Welfare State. If they do not so conduct them, they fail in their duty.

Is this welfare to be merely material welfare ? Perusal of the chapters on Fundamental Rights and Directive Principles makes it evident that individual liberty is to be as much a part of welfare as individual prosperity. Now, we may say to ourselves : "That is all very well. The Constitution does say we are to be a sovereign Democratic Republic. But, there are not so many real democracies in this world, despite the

emphasis in the Constitutions of many countries on being democratic and their describing themselves as such". So let us ask ourselves, Are the Indian people likely to be able to make democracy work? Is there anything in their behaviour or their circumstances to prevent real democracy functioning? Whatever the formal Constitution—and many excellently worded Constitutions are to be found in different parts of the world—the working of a Constitution really depends upon the people for whom it has been framed. So, upon the nature of the Indian people will rest the ultimate success of effective democracy in India.

Many countries with most democratic constitutions, framed like ours, after obtaining freedom from foreign, despotic rule, have found that though free, they are unable to make democracy work. Take the countries of Latin Amrica, for instance. They all fought to throw off the Spanish yoke. Many of them have most excellent Constitutions and yet they are in effect dictatorships of one kind or another, fascist, military, communist. Their attempts from time to time at democratic working always end in failure. And this inability has continued not for a short period, not for a decade, but for almost their whole lives as nations, their entire independent existtences.

What makes democracy work is the subject for a profound study. Lord Bryce attempted to come to some conclusions in his magnificent volumes a long time ago but even from him there came no very clear guidance. That there are some common characteristics governing successful working appears on the surface. Taking a broad view, without any particularly deep study, I would say that the first indication of the probability of the working of democracy in a country

is a certain tolerance and ability to stand differences of opinion among its people. The second is the capacity of arriving at decisions by discussion ; coming to conclusions by talking things over and not bearing a grudge because the conclusion arrived at after discussion is not necessarily the particular conclusion that you thought ought to be reached. Thirdly, there must be the temper for working together in the things that really matter, despite differences of opinion, however violently expressed on occasions. If in a country, it seems to me, the people have these three qualities, there is a very fair chance of the success of democracy.

Where, on the other hand, the nature of the people tends towards rigidity of opinion and their minds are so made that they insist that they hold what they hold, and their views must prevail, the climate is not congenial to democracy. Again, where the people are preoccupied all the time with their past, its glory, the magnificent acts of their ancestors or where there is a tendency to deify certain individuals, there it may generally be said that democracy does not work.

Now, none of these things can be said in general about India. The people here are, by and large, tolerant. Differences of opinion do not seem to them unnatural. They are accustomed to discuss problems and to come to decisions after discussion. Even in a family, the father will settle down to consider a problem with the other members, rather than issue a mandate. So, too, in wider fields. Indians can work together ; they possess the community sense. There is great respect for leaders, so great sometimes that deification does not seem very far away. But despite the greatest respect, you find the critical voice never altogether absent. And gradually even the deifiers begin to realise, and are prepared to accept while main-

taining their reverence, that it is quite possible that there may be a flaw in their leader, that it cannot be that he is absolutely perfect. So, taking all these points together, it would not be unsafe to come to the conclusion that there is no inherent obstacle in the nature of the people to the successful working of democracy. The low standard of living which prevails amongst large sections may prevent the full exercise of these qualities, but this is only a "may". Generally speaking, it does not. The qualities necessary for democratic functioning have been noticed to be equally present among those at the bare subsistence level.

Substantial proof of what I have been saying about our capacity for democracy was furnished by the last General Elections, though it is true that there was failure in one respect. Successful democracy needs a strong opposition which is able, should necessity arise, to take over the Government and which, until that necessity arises, serves as a check on the actions of the existing government and sees that the government maintains a sense of proportion and balance. That final test we did not fulfil. Thus, the maturity of our political sense was not fully demonstrated. But in many parts of the country victories as well as defeats during the elections showed that amongst the large mass of the voters there was a very strong appreciation and understanding both of the value of the vote and of the real virtues of democracy. Hence, on the whole, despite ignorance, poverty and low standards of living, I would say that there is no reason to suppose that democracy cannot work in this country.

Then comes the problem: "Very well, democracy will function but will it produce the welfare of all the citizens? Can that welfare be produced *if it is not planned*?" With

the second question, I shall deal tomorrow. But will democracy produce the welfare of all the citizens? Without meaning any reflection on the people exercising political power now, it must be said that the greatest likelihood of mass welfare being brought about by political action is when political power is exercised largely by people drawn from the masses, so that the masses themselves are really in a position to influence policy. The best example of the Welfare State is undoubtedly Britain. But it did not reach its height until people like Bevin and others, who came from the working and agricultural labour classes, men who had personally mined coal, been factory hands, ploughed and harvested fields, actually came into power. It is true that they did not constitute the entire government but their spirit interpenetrated the functioning of the entire government.

Now, most of our present-day Ministers come from the upper or lower middle-classes and although one may disagree with Marx and hold that man does not necessarily act in the interests of his own class, yet among human beings class has definite importance. There are of course men who will overcome the handicaps of class. It has been demostrated by many, including Bertrand Russel, that Marx is wrong. Often class does not affect decisions but quite frequently peoples' minds are conditioned by the circumstances in which they have been brought up and in which their friends live.

Recently I was told a story which brings this point out rather well. There was a famine in a particular area and so it became very necessary for fodder to be grown in large quantities in another area to feed the cattle in the famine area. It appeared that a short crop could be grown, if certain water-supplies were taken away from sugarcane factories, leading to

lesser growing of sugarcane, and were diverted to fodder cultivation. However, there was an agreement with the sugarcane factories that if the water level in a particular tank stood at such and such a height and they did not get the water, a penalty would have to be paid to them. Also if the water was diverted for growing fodder, the sugarcane factories would suffer heavy losses. When this problem was put to a government which consisted very largely or almost entirely of middle-class people, upper and lower, the important points seemed to them to be that a penalty would have to be paid and that the sugarcane factories would lose heavily. It did not occur to them that the cultivator wonld lose heavily through want of fodder. And even if it did, they took refuge—I mean no moral reflection, the natural tendency of their mind was to find refuge—in the particular clause of the agreement. If the same question was put to a group of agriculturists, even when those agricultuists did not belong to the famine area, they would say, "Of course you must take the water. It does not matter if the sugarcane is spoiled." This brings out the difference in approach. Accordingly, one might say broadly that while it is not an absolute precondition of mass welfare that your government should be constituted largely of men belonging to the masses, yet it is very important that the exercise of power should, to a considerable extent at least, fall into the hands of those truly representative of the masses.

For this to come about, the removal of ignorance, of educational backwardness is very necessary. But educational backwardness is very often a function of economic backwardness. A man is backward because his father had not the money to spend on his education and also because his work was needed at home. Therefore, the basic thing is the removal of economic backwardness. That, at the present time, depends on anti-

cipatory action by such of us of the middle classes who have power—anticipatory action which if we do not take in good time must end in considerable discomfort and trouble for ourselves and disruption for the country. Such action must be for the better distribution of wealth by reducing inequalities of income to as large an extent as possible, even though they can never completely disappear. Whether any such action would ever be taken by those representatives of the middle classes who hold power now seemed to be an open question for quite a while. Very recently, however, an Estate Duty Bill has been introduced in Parliament and it is quite possible that as wisdom and the appreciation of the difficulties of the future increase, more and more action to reduce inequalities will be taken.

A somewhat significant point which affects mass welfare is that the men in power at present who are not from the masses and are from the classes—very largely from the lower middle class—do not seem to be content to remain in that class. Looking round the country, the feeling grows that all the time their aspiration is to rise from the lower middle class to the upper middle class and probably from the upper middle class to the still higher class, the rich. This is illustrated by their manner of living, their general approach to most matters, the society they like and the friends they choose. From the modest little house in which a man lived before he came into a position of authority, he moves into a fine bungalow. He then goes on to live in a style appropriate to that bungalow and his friends begin to belong to the social level appropriate to such a residence. This ascent has its humorous side, but it also has a very serious aspect. The consequent result is that while even a lower middle class man will not be touched by the problems of the masses, will not feel them as poignantly as the masses,

when the lower middle class man translates himself into the upper middle or the rich class and looks at things from his new height, the likelihood of that man devoting himself to mass welfare gets even less. For instance, if a good deal of your time is spent daily in friendly conversation with millionaires, in often dining and teaing with financiers and millowners, you are hardly likely to appreciate to the full the difficulties of those with very limited incomes, who may find food becoming more and more expensive and who have no houses to live in. The inclination, though no doubt often resisted, will be to regard such people as unpleasant incidents on the landscape, disturbers of rightfully earned peace of mind. I need not elaborate. Suffice it to say that this is a very important point. There are countries like Switzerland where the President rides to his office every morning on his bicycle from his little house in some suburb, does his work and rides back again to that suburb in the evening, maintaining all the time touch with the common people. In England, except for two Ministers, Government provides no houses. Only the Prime Minister and the Chancellor live in Government premises and the rest live where they used to live and go to their work from there. Real touch with the masses is of course fundamental for, as has been said, man's identification with the common lot is the source and expression of social attitudes. You cannot bring about social elevation to any great extent unless you identify yourself with the miseries and the feelings of the common man.

After this digression let us turn to consider social welfare in practice. The principle underlying welfare has been the acceptance of responsibility by public authorities for the assistance of people who have failed to obtain for themselves what was needed to maintain a currently accepted minimum level of subsistence. The State says to itself "Now there is a level

below which there must be nobody. If a man is not able to reach it for certain reasons, I will try and lift him up to it." It aims at ensuring that no one need become dependent on private charity for things that are regarded as essential for tolerable living and a useful life.

The most prominent example of welfare for all brought about by democracy is perhaps Britain. Here planned governmental action has created a social security system for the whole population, providing necessary amenities from the cradle to the grave, and protecting the entire population against destitution. It may be worthwhile to mention certain details. There is a social insurance programme to which all persons of working age except housewives contribute. This provides old age retirement benefits, widow's benefits and benefits for loss of income through unemployment. It gives lumpsum grants to cover minimum expenses on maternity and burial. Another part of the programme, which is supported by the Exchequer, provides family allowances to all families with two or more children. Meals are given to school children either free or at less than cost, while milk and special food is made available to expectant and nursing mothers. Then there are old age pensions and other assistance from public sources, free medical service, free secondary education for all. Much greater equality of opportunity in higher education is also brought about by the practice of giving reasonable scholarships to bright boys from the schools to which the children of ordinary people go. A far greater equality of disposable income than before the war has been attained by reducing the levels of consumption of certain classes, by the use of full employment, by rationing, rent and price control and by subsidies and other social welfare benefits.

The incomes of the rich have been greatly reduced by taxation. If the rich want to live as they were accustomed to live, they have to use up capital. In 1938 there were 6,516 people who had incomes of over £ 6,000 after payment of tax. In 1948, inspite of the change in the value of money, there were only 86 left with incomes of over £ 6,000. Actually, to have an income of £ 6,000 after taxes in 1948, it was necessary to earn a hundred thousand pounds. Of course, the tax collecting departments in Britain are more efficient than here and the tax-payer is more honest. It is a common complaint that high taxes affect very detrimentally economic progress. That may be correct to some extent, but the considerable increase in post-war production in Great Britain would seem to show that, despite the continuous grumbling of those who have to bear high taxation, the national product continues to increase. It is also urged that when the state provides all these facilities, the worker's incentive to effort is greatly reduced. The worker says : "The State looks after me so well. Why should I work more ? Let me have leisure". Therefore, some people seem to be coming round to the view that the State should provide a minimum, say 49 per cent of what the citizen needs, leaving him to get the remaining 51 per cent. This view has not been accepted. Social service benefits are regarded as among the rights of citizens and no citizen need be ashamed of accepting them on the ground that the recipient does not deserve them. Of course, Britain's is an extreme case. It is only because of the wealth of Britain, the fact that its Government really made very sternuous efforts to reduce inequalities of income and recognised the possibility of treating all its citizens alike, that you have this position. You also have as a consequent result not one Communist elected to Parliament.

In the United States too there is a good deal of social security. But, as our Chairman pointed out, citizens of the

U. S. regard it as the home of free initiative and competition and consequently dislike the words "welfare state". A strange contradiction is to be found in the United States. The citizens run to their government whenever they want certain things done for their advantage. At the same time, they are continuously declaiming about the necessity to cut down the power of government. In reality, however, a good deal of welfare is attempted through the government, Federal or State, in education, pensions, social services directly concerned with the personal well being of the individual. And this is on the increase. Even recently, in the latest message of the President, mentioning among other things Formosa, which caused so much consternation the other day, he says that he proposes to extend the old age law to cover millions of citizens who have been left out of the present social security system. That this should be so is quite understandable. After all, it was the Founding Fathers of the United States who laid down "We hold these principles to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that amongst these are life, liberty and the pursuit of happiness." You can neither have life, nor very much liberty and certainly not pursue happiness very far, if you are not fitted for them. Consequently, although people in the U. S. dislike the term "Welfare State" they attempt to carry out the idea in practice. Many other democratic countries, Sweden, Norway, Denmark, etc., also have extensive welfare schemes. The common features of all such countries are high taxation leading to reduction in inequalities and a high level of national wealth. Even in the United States taxation today is much higher than it used to be.

But efforts at social welfare are not necessarily confined to the democratic countries. There are attempts to give wel-

fare to their subjects by the governments of authoritarian countries in which you have absolute regimentation of the people and compulsion to work at government's bidding. In these, political freedom is completely unknown. Opposition of any kind would not be dreamt of by the ordinary person and if indulged in, would lead straight to the prison camp. Yet even in some such countries, considerable attention is devoted to welfare. Perhaps one of the reasons is the desire to have proper instruments for economic and military progress. The rulers probably feel that without a minimum standard of welfare for their subjects, they cannot build a sufficiently strong nation, economically or militarily. One important feature of these countries to which almost all visitors have borne testimony, is the great attention they devote to children—their feeding, their bringing up, their education, etc. Special educational opportunities and social services were started in most of these countries, including Russia, when they were poor. By comparison with many countries, most of them are still not rich. But because of the complete regimentation, and of the entire national wealth being disposable by the Government, a share of the national resources can be used on essential welfare activities, at least on a modest scale. From all accounts, the standard of welfare even in Russia does not come anyway near that in Britain or America ; but with the increase in national wealth, progress has been made in some spheres, although of course a considerable part of the increase goes into heavy industries. Regarding China, it is too early to say anything. But again with regimentation enabling the pooling of national wealth, it is fairly clear that children are being given special attention. You will thus notice that, both in the democratic countries and in the authoritarian countries, in the rich countries and in the comparatively poor countries, welfare—although in some places embodied in the Constitution and in others not—is considered an essential part of the duties of the State.

Our position in this country is different from both these types of countries. Economically, we are underdeveloped, and so it would seem that if there is to be a comparison, we must be compared with the poor countries. But, politically, we are democratic, and consequently, the comparison would be with the richer countries. We seek to attain the ideal of welfare by democratic methods. We aim at Socialist ends while eschewing Communist means. In the face of our poverty, this seems indeed strange. Ours is thus an experiment of world significance. We are attempting to establish welfare in a new way. The Government of a poor country may give some measure of welfare to many of its citizens if it regiments everybody, rules despotically, gets into its possession all the national resources and uses them as it likes. We abstain from that course; we attempt to obtain welfare while preserving democracy and the democratic method. If our experiment is successful, we shall set an example which may well be copied by a large number of countries now more or less in our own position—Burma, Indonesia, the whole of South East Asia and the Middle East. It is very important, not only for our own advantage but for the benefit of a large section of the world, that we should succeed, since I take it everybody will agree that the democratic values which we wish to maintain while attaining welfare are in themselves a very vital part of welfare, and that the welfare for attaining which those values have to be abandoned does not compare either in strength or in attractiveness with the welfare attained while still ensuring them.

The preservation of democracy is one matter, the establishment of a Welfare State another. The question is, how are these two to be reconciled in a poor country? For such a reconciliation, the essentials are vigilance and cohesion. There must be vigilance and this vigilance must be strong and active in-

spite of the cohesion. The vigilance of the public must preserve our liberties, it must see that authority does not exceed the powers given to it, that laws are adhered to, that power is only used for serving the public purpose, that those in power do not fall before the necessary standards of integrity and efficiency. For all these purposes, vigilance is essential. At the same time it must not be so used that it leads to a destruction of cohesion, for cohesion alone can make up for that absence of regimentation which is implicit in democracy.

It is said sometimes, welfare necessarily implies regimentation. We wish to assert, on the other hand, that there is no incompatibility between democracy and welfare in a poor country. In order to prove that, we must be prepared to adjust ourselves to mental descipline, while at the same time maintaining at the highest pitch the faculty of intelligent and constructive criticism. We have to bring about welfare for our people without letting a section seize power and use the totalitarian methods which might be successful in the circumstances of the country.

Our real problem then is the learning of effective discipline by democratic means. In a democracy, one head is as good as another. The most important man has his vote and you have yours, nor is it altogether improbable that he may exercise his vote with at least as great wisdom as you do yours. Everybody is more or less alike, nor is there any scope for leaders except such as are chosen by the people. But in order that a common purpose should be attained, there must be a general working together. How can that be secured ? Only if, in all sections of the people, there is a proper realisation of political rights and privileges and even more of political obligations and

duties. We must all know how to enforce our rights and how to discharge our obligations, leaning perhaps a little further on the side of the discharge of obligations. The full implication of this is that we must have a knowledge of how not to trespass on the rights and functions of others and how to perform our own functions properly. It is the old precept "To each man his duty and the doing of it in the best manner possible."

In this obtaining of national discipline in a democratic set up, which is the central problem of welfare and without which there cannot be welfare, clearly each component part, the People, the Legislator, the Administrator and the Minister, has to understand its own function as part of one concerted whole and to discharge that function properly. The objective must be to educate and train all these classes to contribute to the effective creation and effective functioning of the welfare state within the democratic framework. There is no doubt that all of them, the people, the legislator, the administrator and the minister, however high or low their position and their functions, need to be educated. We shall deal with the administrator and the minister in the third of this series of lectures.

But to turn to the people and the legislators. What is that they should be educated in ? How are they to be educated ? And by whom ? Those are the three questions that arise. Consider then the people, the enormours numbers that make the reflective mind quake. The objection put forward whenever suggestions for improvement are made in regard to the people is, "there are so many of them, can anything possibly be done ?" There is on the one hand the idea that the people really are incapable of action and must be managed by others ; there is, on the other, the view that in the masses is much com-

monsense and political acumen. The truth lies somewhere between these two views. The people undoubtedly have a great deal of commonsense and acumen as can be seen from their capacity for survival in all kinds of difficult circumstances. This capacity has its origin in adaptability, and certainly indicates a high degree of commonsense. But commonsense of this kind is not by itself of particular value, when it comes to holding the scales even between two schools of thought or coming to conclusions on important problems.

There is no doubt that the ordinary citizen needs a great deal of education in the political sense. The unfortunate features that prevent that education are illiteracy and faction, especially in the villages. The fortunate features on the other hand are the desire of the masses to learn, even of those not still young, and their capacity to learn. Of the large bulk of the people, one may perhaps say that they need to be taught a little more about their rights than about their obligations, for in many ways they have been the worst-off in the country as a whole. In the education of the peasant especially the stress might well be occasionally on his privileges. The education of the masses takes various forms. The simplest is contact with the administration. The peasant comes into contact with the administration at its lower levels and if that contact, besides being direct, is beneficial, he learns a great deal. Further, the authorities can see that in any scheme or plan which they prepare, the ordinary man understands what his part is in relation to the plan as a whole. There should be no particular difficulty in providing such explanations. It has been done in various parts of the country on previous occasions. For instance, during the war years in some provinces we took grain from the peasant by a levy. When the position was explained to him, he understood quickly and there was very good response.

The explanation of course had to be done in a way which he understood.

The second form of education falls within the scope of the duty of the political parties, both in power and in opposition. It consists in starting by explaining the facts of every situation, whether it be related to foreign policy or domestic. The basic facts must be put first; then may come the party propaganda. When the citizen has imbibed the facts, you, if a supporter of the political party in power, wanting re-election and the popular vote may rightly say : "These are the facts. We have done this and this. Don't you want to support us?" If you are a pillar of the opposition, you must still give him the basic facts. Then you may say : "But see what these people in power have done. Don't vote for them". The essential obligation on people like us is to see that the citizen gets to know the facts. Other forms are, of course, education through schools and adult education. The Constitution lays down that in ten years we must have compulsory primary education for all children but in some states, more especially in those which had made some progress, paucity of funds, unfortunately, has brought about a standstill. A method of educating people without schools, which we in this country have taken no account of at all, is the radio. A large number of radio sets, scattered throughout the rural areas, would open up remarkably the minds of people who have no other educational facilities or no time to take advantage of such facilities, even when they are available. It would be not too difficult to deal with ignorance if radio-sets were plentiful in the countryside and a considerable change could be brought about in the mental attitude of the people, even in such delicate matters as superstitious beliefs. Many of our people still live mentally in the thirteenth century whereas what we want from them is the taking of an active part in the construction

of the Welfare State of the twentieth century. Unless their minds are adapted to modern thought and have shed much useless lumber, the attempt to bring in the twentieth century welfare state is not likely to be particularly successful. The radio probnbly is the best instrument for mass education. Government might well devote to it ten times the funds it is doing now with most useful results, provided of course the money is spent wisely, it being recognised all the time that the main purpose of the radio is to instruct, to educate, to form modern citizens and not to be just an instrument for giving pleasure to ladies and gentlemen who pay the licence fees in towns.

Finally, there is the press. Its very clear duty is to set out facts objectively. It can express opinion separately, but in regard to every particular matter, the setting out of facts objectively is in itself a mode of educating the public. It is very important indeed that the press should recognise this if we desire that welfare should come into being in a democratic set up. So much for the people.

For the legislator, the most important of all qualities is integrity. Some of our legislators do recognise that ; at the same time it cannot be said that our typical legislator places the public good above the personal good and is prepared to show by his actions that being a legislator is not an office of profit for himself, his friends, his relatives, his constituents or anybody else. Legislatorship is essentially a trust and the legislator must learn to regard it as a trust. Who can teach him that? The people, the Press and the Government. For, if his behaviour is not disinterested, it is always open to the people not to elect him. It is open to the Press to bring out his misdeeds and show him up. It is also open to the Government to turn down his requests. Even though he may be elected

a Member of Parliament, the people can, if they set about it properly, by continuous questioning and watching, make his life miserable until he behaves. To do that would of course involve considerable trouble, making in fact their own lives miserable to an extent. At the same time the attempt would be well worthwhile.

Another point the legislator should devote attention to is learning to study. In the former legislative councils, during the times when men like Gokhale and Pherozshah Mehta were members, the Indian legislator used to study carefully the subjects he dealt with. This was true not only of outstanding figures like these men but even of the less known members. The hard work put in is evident from the debates of the time. A good standard was reached not only by the intellectual giants, but also by men of mediocre intelligence, applying themselves in right earnest to the facts. The debates of the legislatures of our times on the other hand very rarely produce speeches that can be regarded as satisfactory. Most disclose lack of both knowledge and study. I do not know what your experience in your own Legislative Assembly here is, but the debates at the Centre and in most parts of the country rarely rise to a proper standard. Work on the part of the legislator, hard grinding application is what is needed. By failing in it, he shows that he really does not appreciate the full importance of the position he holds. The third principal defect of the legislator is lack of interest in the affairs of his constituents, not in the affairs of the few people for whom something must be done, but in the affairs of the constituency as a whole. For instance, some legislators fail even to answer the letters they receive from their constituencies. They will not go down to their constituencies sufficiently, talk to the people, explain the Government point of view on important matters, if they are supporters of Government, or the opposition point of view, if

they belong to the other side, come back to the legislative headquarters and tell the government or the party office what the people think. If they did this, they could become most valuable channels of information and guide opinion, both governmental and popular. So the legislator must have integrity, accompanied by industry, the will to study and an earnest interest in the people and affairs of his own constituency.

Summing up briefly, it may be said that you cannot force welfare on a democracy and you cannot give welfare to a democracy. It must come as the result of the efforts of the people of the democracy itself, of all the parts constituting it, not least of the two we dealt with today, the people and the legislator. Winning welfare needs courage, faith and a sense of national unity. There must be courage to face facts and to overcome difficulties, for no purpose is served by saying "this is too difficult". Once one begins to say that, nothing is easy thereafter. Somebody told Lord Nelson, when he wanted a particular thing done, that the difficulties were insuperable. Describing the incident, Lord Nelson says, "I asked if it were necessary that the thing should be done; they said it was. I said 'it being necessary that the thing be done, the more insuperable the difficulties the more necessary that they be overcome.' Now, unless there is that spirit, if not in all the people at least in the leaders of the people, among whom are certainly the legislators, democracy can scarcely bring about a welfare state in a poor country like ours. You must also have faith in the future and in the ideals of fairplay and freedom, which after all are the basic ideals of democracy. Finally you must have a proper sense of that national unity which overrides the interests of all classes and sections. None of these are beyond our capacity as a people. The passage of time alone can show whether we attain them.

LECTURE 2.

PLANNING AND THE WELFARE STATE

10th February 1953.

Mr. Chairman, Ladies and Gentlemen,

Let us begin with a true story, before we enter the realms over which what has often, and not altogether wrongly, been termed the dismal science, holds sway. One upon a time I was a member of a delegation, among the other members of which were some economists. Whenever the delegation was faced with a knotty problem and they were asked the justification for their views, their answer was "There's no point in explaining. You wouldn't be able to understand it". The leader of our delegation, an experienced lawyer with a good deal of commonsense, was not prepared to put up with this for very long. He did insist on explanations and justifications and they turned out to be not too complex for ordinary minds. Jargon is indeed a mighty deceiver.

As you all know, the idea of planning for welfare is of very recent origin. Planning had very little place in the economic life of most countries in the nineteenth century. The opinion normally held was that the right function of the State in economic matters was that of being the night watchman. The state saw that peace was preserved, and maintained order. It had rules according to which it administered justice. These methods enabled private individuals to carry on their economic activity In this country, the idea of planning economic life, or any aspect of economic life was really unknown until the war. It came in during the war, and it is interesting to trace its development to the idea of planning for welfare. The former *laissez-faire* State was not prepared to interfere on the side of the weaker

or the less powerful. Food brought the first departure from this policy. Fair shares for all in foodgrains was the beginning of planning for welfare. For centuries people in this countary fed themselves they could; many could not feed themselves well and there was a great deal of individual hardship. There was also a great deal of collective and regional hardship, when the rains failed or famine broke out in particular areas. Government as such gave little or no aid to the individual. He was left to be taken care of by private charity, by relatives and by such other beneficience as flowed from the joint family system. There was no acceptance of responsibility on the part of the State to make food available to all the people at all times and in all conditions. When, however, a whole region was affected owing to dearth of rain and famine started, Government accepted responsibility and took *ad hoc*, temporary measures to tide over the distress.

Now, the first change in the conception of the responsibility of Government took place about two years after the war. *Various factors brought about the change. Rice imports from* Burma stopped completely and there was a breakdown in the transport system. Large wartime fortunes increased the inequality of incomes and made easy the cornering of foodstuffs by men anxious for quick profits. Thus physical scarcity combined with concentration of economic power in relatively few hands made food inaccessible to many. Distress prevailed and famine was threatened. This attracted the notice of Government. It was then noticed that the high price of food was not a localised affair, but called for a reorientation of the whole scheme of the obligations of Government. If Government had to function at all it had to assume responsibilities and adopt an objective which was entirely new to it, namely, that no person should starve on account of high prices of food or in other

words that food should be available at reasonable prices to one and all. In this province, which has fortunately been a surplus province, you probably did not feel the impact of that situation even a quarter as strongly as the people of the deficit provinces did.

Now let us consider how Government attempted to see that its objective was attained. It prevented cornering of the relatively limited production. It attempted to control distribution. The first measure taken was control of prices by statute. When this proved ineffective, Government undertook distribution through fair price shops. Stocks in these fair price shops disappeared very quickly and the objective remained unfulfilled. So the third method, rationing, was adopted. To keep up supplies, a levy on producers became necessary. In other words, Government control over the producer compelled him to part with a portion of his stock at stated prices. So also control had to be instituted over the speculator and the middleman. In certain areas, control was so comprehensive that it amounted almost to the total elimination of both the trader and the speculator. The responsibility of enabling the poor man to feed himself in the midst of scarcity and war having fallen on Government, the objective of seeing that the poor man was able to get his food was strengthened and upheld by the combined action of all the controls. This enabled Government to maintain, as it were, a modicum of stability of the economy during the years of the war. Thus came the first real attempt at planning for welfare. Under it in certain areas, where full control was functioning, the millionaire could not legally get more grain than the sweeper, and to a very large extent, that became the position even in practice.

This idea, after the war, has been carried forward as we saw yesterday in the Directive Principles of the Constitution, which

are based on the assumption that not only is food scarce in the country but that wealth, of which food is a part, is also scarce. Just as food has to be increased so also economic wealth has to be increased; just as there should be a modicum of food at reasonable prices for all, so also there must be a modicum of wealth at least for all those who are prepared to work. The trend of thought in the world as a whole is towards social and economic equality. Consequently this objective becomes specially important. To put it in simple terms, the good things of life in so far as they are available and can be increased, should be made available to all to the extent that it lies in the power of Government to bring this about. The consumer must, whether he is poor or rich, get a fair share of at least essential products in all circumstances. If production as a whole is to go on increasing, clearly two things become necessary. The prices of essential things and the cost of production must be kept at a reasonable level. So planning for welfare necessitates both these things.

Yesterday we referred to the position in the United Kingdom with regard to welfare. The very large range of the social services covered there is only possible because of the great amount of wealth available for distribution. Our position is, of course, very different. Welfare to that extent would be quite impossible here, however much the Constitution may declare the reasonableness of similar welfare. Even on the very modest footing of a medicum of food, clothing, housing and education for the masses of the people, a great increase in our wealth is necessary. Therefore, the first point in planning for welfare is to commence building up this wealth. The second is the equitable distribution of such wealth as there is and all such wealth as can be built up, so that the masses can really benefit from the wealth of the nation. It must not pass merely into the hoards or the purses of those who already have a great deal. Government must act like

Confucius' gentleman, who helps those in want, but does not make the rich still richer.

Egalitarianism has a beneficial psychological aspect, even though there may be little to be distributed. One constantly hears it argued that if all the wealth of the rich were distributed equally to everybody, nobody really speaking would be benefitted and it would only lead to an increase in the number of the poor. The rich would disappear without any advantage to the poor. Carried out literally, that would be so, but no body, not even the most egalitarian-minded, would urge exactly that procedure. What is suggested is that inequality should be reduced so that you will not see a wide variation between your largest income for the most valuable work and lowest income for work, which although not recognised as equally valuable, is certainly not without importance from the social point of view. Where inequalities of income are reduced, as for instance in the Scandinavian countries, where I understand the difference between the highest and the lowest is even less than ten times, a great deal of discontent disappears and the sense of grievance that is so common elsewhere is greatly mitigated. This means that the formation of that cohesion, which we saw yesterday is essential for the establishment of a welfare state in a democratic counrty, is rendered easy. There is not that kind of envious feeling about other people which prevents united working.

Also, efforts towards egalitarianism lead to the making impossible of conspicuous consumption, the fairyland wedding pavilions with which we are fimiliar, the shining American cars which we see dashing round our cities, many of which are worth more than any ordinary man can possibly hope to earn in his whole life—let alone save—some of them costing somewhere near thirty thousand rupees. That kind of conspicuous consumption arouses anger. In some parts of Bombay, if a

man goes round in a Buick car, the common remark applied to him by the ordinary person is "Kala Bazarwala". So the bitterness is rendered less, if not entirely removed, by egalitarianism, which in turn leads to the building up of essential cohesion. Therefore, any plan for welfare must be twofold. It must increase resources and it must lead to their equitable distribution.

The Government of India have realised the need for planning and they have produced a plan for the next five years, which we are told is the first in a series of five-year plans ; at any rate, they hope so at the present time. Let us look at this plan from these two points of view, building up of wealth and equitable distribution. If it satisfies these two criteria, then we can say it is a good plan. Even if it does not satisfy them, it may still have much good in it and we need not at this stage decide that we will not support it merely because it may not satisfy them.

The first thing noticeable about this Plan is the inadequacy of the resources which it is proposed to employ. On any worthwhile largescale development, it seems to me, that the amounts set out make no real impression at all. The total expenditure is estimated to be 2,069 crores over five years and the intention is to raise the national income in these five years from its present figure of nine thousand crores to ten thousand crores, so that it is hoped that in the five years the national income will rise by eleven per cent. It is further stated that of the increased national income about one-fifth, 20 per cent, should be taken up in savings to be used for further investment, so that what will be left will be somewhere in the neighbourhood of nine per cent. Now, the increase in population during this period is calculated at 6.3 per cent so that if you take the two together, it means that your standard of living remains

very much where it is at the end of the five years. In other words, if the plan is successful and everything is achieved as proposed, what you really do is to prevent the standard of living from deteriorating.

It is hoped that by putting in 20 per cent of the increased national income, and later on 15 per cent of the increase, by 1977-78, that is to say, in about 27 years from 1950, the national income will double, that is, instead of 9 thousand crores, our national income will become 18 thousand crores. Then there will be some relief in the standards of consumption. Before that too, there will be slight amelioration, but this amelioration will really begin in about the 17th year from the beginning of the plan, so that until the 17th year, although there will be more employment and although more productive capital will be invested, so far as living conditions are concerned, we must content ourselves with more or less the present standard.. There may be a very slight improvement, if there is an improvement at all, and that improvement may be more on the basis of increased employment, etc., than because of any increase in actual *per capita* incomes. Now, it is for you to judge and decide whether the ordinary man is likely to be content with the present standard of living for another 17 years. It may be that if you put it to him sufficiently plainly and explain to him how the future hangs upon his efforts, he may accept the position.

But in any case, it seems to me, that there is clear reason, if it is at all possible, to have larger investment so that you can have quicker results and raise the standard of living earlier. In fact, if there could be investment of a thousand crores a year instead of the present 400 crores, it is quite probable that the corresponding benefit would be more than proportional. It seems, on the basis of what the Planning Commission has said, that this 2,069 crores really exhausts all possible resources.

In fact, they have left a certain amount uncovered. We will come to that later ; but they say they have taken in all they could. Therefore, let us consider what happens when a man has a good scheme but he has no money or insufficient money. What should he do ? One obvious course is that he should attempt to borrow the money, because if he thinks that his scheme is worthwhile and deserves to be backed, there is no particular reason why he should be chary of borrowing the money for it. Where can he get the money ? Clearly, foreign capital seems indicated. One does not wish to put this at too high a pitch, but it seems to me that it is really tragic that it was not realised in the past four years that economic progress in this country would need a certain amount of foreign capital, and that without any real departure from principle, efforts were not made to obtain that capital. I do not suggest for a moment that one should sacrifice any really important principle in order to get financial aid. I do not suggest that ; but I do suggest that without the sacrifice of any principle at all, in the last five years, had negotiations in a reasonable manner been started, the climate of opinion was such that a very considerable amount of foreign capital could have been obtained.

In my judgment, one of the principal obstacles in the path of that has been not our foreign policy but rather the expression of our foreign policy. For instance, you will notice that over a long stretch at any rate of the last five years, Great Britain has followed a policy which is practically ours. There has been little difference between Great Britain and ourselves on vital points affecting Asian matters or even colonial matters, on both on which we take a particular stand, and yet Great Britain by the simple process of not saying unnecessarily exasperating things has managed to obtain very substantial assistance. So, too, have large numbers of other countries. Now,

therefore, while I do not urge here that our foreign policy should have been modified in any material manner—that would be going outside the scope of these discussions—at the same time it does seem to me that the way in which it was put forward, the manner of expression of the ideas which lay behind it and the lack of decision as to whether even without any obligation, we desired foreign assistance—all these factors seem to have led to a position in which we found ourselves, when we decided to plan, compelled to start with an investment of what is really the comparatively negligible sum of 2,069 crores. At the present time in view of the trend of events and the political conditions in the principal countries from which capital would be available, perhaps it is too late to attempt anything. The new trend of foreign policy that seems to be developing in those countries may make things even more difficult.

But I do think that at least the principal foreign countries concerned ought, in their own interests, to realise that merely by the fact of our existing as a democratic country, we render quite a considerable service, whether we like it or not, to their particular ideology and that, therefore, it is quite as much in their interest or even perhaps more in their interest than ours, to see that we are enabled to continue in our democratic way. But you all know the little wisdom with which the world is govenred. It has been the subject of comment throughout histroy. We on our side ought not in our present circumstances to feel chary about accepting aid which means no dimunition of our sovereignty and no insistence on following any particular course; whereas the aid-givers, who are in a position to give aid, should realise the value of our existence and should not feel chary about offering it. This, however, is more in the nature of an aspiration than of something that you and I can hope will necessarily happen. It needs an amount of wisdom on both sides which the past gives us little reason for thinking is present.

If we do get any foreign capital at all for the building of this welfare state, there is one particular point which needs emphasis. The income or wealth produced by the whole of this capital should pass into a "Central Pool" at the disposal of Government without going through the hands of any intermediary. Government should be able to dispose of it at will. In order that both this objectives should be fulfilled, it is very desirable that the foreign capital which comes to this country should come in the form of Government to Government loan or United Nations grant to Government and at a low rate of interest. An instance in point is the "Wheat Loan" we got. Of course, if we had approached the matter in a better way, we would have got that wheat on more favourable terms.

Since, however, the likelihood of aid from abroad is not very great, let us turn to ourselves and see what we can do. Clearly we must attempt, so far as it lies within our power, to do the utmost. There is a school of thought which says " Leave it all to private enterprise. Do not really bother. Let private enterprise make handsome profits which will plough themselves back into industries which will in turn produce more wealth. " This kind of economic development took place in the nineteenth century in many countries. Though the rate of profit in this country has been quite high in the last five years, private enterprise here has not shown any very great enthusiasm in movement towards the desired direction. Nor indeed does it seem to possess that order of ability that would be needed to carry out work of the magnitude and quality that could have any real consequence in the increase of wealth. I would not say this is necessarily due to selfishness. Since there are possibllities of making quick profits, private enterprise is as a rule not prepared to poineer in industries which will provide no, or little, return for a large number of years. Quite naturally, private funds go into concerns where you can get more money and quick returns.

Therefore, you have to fall back very largely on Government investment. So a central pool of capital is obviously necessary. From where is this to come? This is a matter which needs careful study. How can the State take over the larger share of the profits of those businesses, industries and trades from which most profit comes? The export and import trde, banking, insurance, large scale industries, these are the key points. Some hold that these also are the points at which most tax is lost. They say a good deal of tax revenue which ought to come to the State is not collected because of various devices, illegal and legal. I would not hold it true of all or almost all concerns, but a Finance Minister of the not distant past said once that as much income tax is evaded as is collected. That amount would make a substantial addition to the income of government, and if this is so and I see no reason to suppose that it is not, clearly these conserns must contribute fully to the Central Pool. The argument against such a course is that they already pay taxes, and give dividends and also pay taxes on them. But actually the dividends are a very small portion of the total profits, when all is said and done. After careful study, it may be found that the better way of making them contribute is for the State to take over all these forms of economic activity, and utilise their productivity to get more capital to put into further productive activity.

A proper policy for the ownership and use of land is also essential. Land policy should be such as would ensure a reasonable standard of living for the peasantry and the growing of sufficient foodgrains to enable the State to cease importing and even to produce a surplus. We will see what the Planning Commission says about these points a little later.

A thing to remember is that if you desire to nationalise certain sectors, then you have once and for all to make up your

mind what you are proposing to reserve for the State. Having taken that over, you should release from all interference the sectors that remain outside. At the present moment in large scale as well as small scale industries a great deal of general uncertainty and ill-felling prevails. Quite a number of businessmen very rightly urge that they are prevented from doing their business by continuous interference in all kinds of matters which are really their own concern. The reasonable thing to do then is to take over what you want, but leave the rest severely alone. If you have a mixed economy, that need not be an economy in conflict. The Government should know its sphere, and the rest of the people should know their sphere and thus they should be enabled to work harmoniously. If there are ten thousand businesses, and if because of Government interference they are prevented from making a thousand rupees more per business per year, that in itself means that a very considerable sum is lost to the nation. Activity in the private sector also adds to the national wealth. The argument is not that private enterprise in itself is bad and that we should on doctrinaire grounds destroy it. But there are only certain avenues which can be tapped for funds for development. If after deep consideration, we arrive at the conclusion that by taking over particular sectors of industry public funds for investment can be increased considerably, Government should take them over. The rest should be left independent, so that the initiative and judgment which make for successful business have full scope to operate.

The amount proposed to be invested by the plan is, as we have seen, inadequate. But leaving aside the inadequacy, let us consider the extra production which it is said will be available because of the investment of these sums. In agriculture, we are told 7 million tons more foodgrains will be produced by the end of this period. Policy must always be judged in the light of the conditions of its success. When a man frames a policy, he should really consider

what are the circumstances that will make that policy successful. Are those conditons fulfilled in this 7 million ton figure ? Where is the guarantee that the cultivator will produce the extra foodgrains ? Foodgrains are not the only things that a cultivator grows. How do you ensure that the cultivator does not grow other agricultural commodities which may pay him better ? The Planning Commission has ignored that side of the question. No provision, so far as I can make out, has been made to ensure that foodgrains are grown. Where is the inducement to the agriculturist to grow foodgrains rather than other crops ? No attempt has been made to lay down a proper integrated price policy.

That is one criticism. Consider further, why are you growing this 7 million tons ? They tell you, we have to import three million tons nowadays; if we grow these 7 million tons, we will be able to stop importing, save foreign exchange and devote the money to buying capital goods and machinery, which will help our industrialisation and consequently increase our wealth. Well, but where is the guarantee that these 7 million tons extra will come into Government's hands ? On the contrary, so far as can be seen, the policy that is being followed at the present moment is directed towards not getting the extra foodgrains into Government's hands, for the whole system of procurement is to be relaxed and finally given up. It is only when you have grown 7 million tons, procured them and arranged for their distribution that you can say that they will make any real contribution to welfare. Again, the Planning Commission has laid down the general principles of land policy, but there is no detailed working out, no real application of mind in regard to each State, no decision that in the light of the principles, the land policy for a particular state should be such and such. These are very real lacunae to be filled up.

Take industry again. On the industrial side, in the public sector, the total provision is 95 crores over 5 years, which means about 19 crores of rupees a year. Well, the Government of India's budget is in the neighbourhood of 400 crores a year and it is hardly necessary to have a Planning Commission in order to allot 19 crores to industries. It may that there is some other amount which would also be of assistance to industries. Amounts alloted for power plants, for instance, would be useful for industries. But if your purpose is increase of wealth, industrialisation needs much more attention, although I would not say that the proiority given to agriculture is wrong, because improvement of agriculture means improvement to some extent of the lot of a large majority of the people. However, industrialisation, especially the right kind, basic industrialisation, is equally necessary for the country. If you are going to invest only 19 crores a year in it, obviously you are not as interested in increasing the national wealth as you should be. High hopes have been placed in the Plan on large investment by private industry but so far as can be made out from what various leaders of industry have said recently, the likelihood of really substantial investment by private industry is very doubtful.

Another feature of the Plan also needs notice. The sum of 2069 crores to be spent itself involves deficit financing to the extent of 300 creores. Now you all know what deficit financing is. But in order to clarify my own ideas, I shall attept to put it simply. Deficit financing really means that you go on indulging in expenditure in excess of available resources. If the deficit cannot be met by fresh borrowings, you either use past savings or create new money. Borrowing and past savings having already been taken into account, there remains to the planner the device of creating new money,300 crores, the shortfall and perhaps another sum of 300 crores which has also been left uncovered in the hope

of foreign aid to that extent-so that it may well be that you may have to resort to deficit financing to the extent of 600 crores. Now it is probable that, when you have this money in the country in addition to the money that is already there and your goods and services, the things that you need and for which you are willing to exchange money, remain at about the same level, the prices of things will move up. Deficit financing even to the extent of 300 crores may, other things begin equal, begin a new bout of inflation. One of the beautiful things about economics that you have no doubt noticed is that no practitioner of economics will ever give a definite opinion on what will happen. Every true economist will put in so many 'qualifications, ifs and buts and may bes, by the time you get his opinion that even if it turns out to be wrong, he himself is never proved wrong. I, being just a citizen, rush in, perhaps foolishly, where the professionals fear to tread and offer this opinion. The Planning Commission however also seems to feel that there may be something in it. To meet this contingency, it lays down the remedy of controls. There must be integrated economic controls to hold prices down.

While the Planning Commission makes this statement, Governmental action in the last few months-and the Planning Commission itself is just a part of Government, some members of the Government itself being members of the Planning Commission-has not been directed towards inspiring in us a great deal of confidence in their declaration that by the use of economic controls they will hold prices. If prices do rise on account of deficit financing to the extent of 600 crores, or even of 300 crores, that will affect the plan detrimentally, because everything will cost more. If there is to be some deficit-financing, it must be recognised not only by the Planning Commission but by Government and the legislators that controls are essential. It must be recognised by the public, if they want welfare even to the extent of 2069 crores

that controls are obligatory and that they cannot get out of them by saying that they are frightfully inconvenient or unpopular. Nobody has heard of any regulatory legislation being popular. We have to accept the fact that controls though inconvenient, have to be tolerated and to put up with them and work them disinterestedly in order that worse may not befall. Therefore if this welfare is to be attained, then it is up to the public to make it clear to the Government that it is prepared to accept controls willingly, provided at the same time they are enforced honestly, imaginatively, without troubling people unnecessarily, and the defects in them are removed expeditiously, none of which is extremely difficult or onerous, when an intelligent and well-meaning public works in cooperation with an intelligent and honest Government.

So far we have dealt with that production of extra wealth which is necessary for the realisation of the welfare state. The other point we have to deal with is the proper distribution of the existing wealth and of the wealth that might come in fututre. We have the Directive Principles of the Constitution on this subject. They lay down that the Government shall in particular direct its policy towards securing that the ownership and control of the material resources of the community are so distrbuted as best to subserve the common good. The Government is also to direct its policy towards securigng that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment. These are the principles which governments have to bear in mind in all their conduct. Up to now, except for the bringing in of the Estate Duties Bill, no action has been taken by Government to fulfil either of these directive principles. At least an enquiry might have been held into the concentration of wealth, the uses to which it is being put, and whether or not such concentration is being used to the detriment of the common good.

The Planning Commission itself suggests no action on this matter of proper distribution. It contents itself with the usual general statements that it would be very good if this, that and the other happened, but it lays down nothing specific. On the contrary, it adds to concentration of wealth by leaving things as they are. For when wealth is concentrated in particular hands and you bring about improvements in conditions generally, the natural tendency is for extra wealth to go to where there is already wealth. If, for instance, you improve irrigation, obviously the people who have large holdings are going to benefit most. Similarly, if you improve the transport system in particular areas and the result is a great improvement in the carriage of goods, much of the benefit goes to the owners of factories on that particular system who are large users, so that what you get is a further concentration of wealth. The idea that public improvement often means the betterment of people who are already in, what a friend of mine calls "strategic positions", has to be borne in mind. A vigilant Government, which pays due regard to these Directive Principles, must take that continuously into account.

Another point of fundamental importance in planning for welfare is that of increase of population. Our population increases at the rate of four million a year. We create a new Calcutta every year. Whatever the increased production you get, it is likely to be used up very largely by this increase of population, unless some wonderful scientific discovery gives you a triple improvement in production against a single fold rise in population, so that you can have a start in the race between the two for the time being. Apart from that, however, the normal rise in population is bound to prevent the standard from rising. It may well happen on the other hand that if we are unable to keep production moving at least at a pace consonant with the increase in population, there may be a fall in the standard

of living. The problem of population is thus very relevant to all attempts to have a welfare state. It goes to the root of the whole matter and deserves from *thinking* members of the public the fullest consideration. In the circumstances of our country, perhaps it would not mount to "moral obloquy" on the part of individuals if they were of opinion that persons having more than five children were guilty of anti-social behaviour. In future, at least, that ought to be the view which people ought to take. More especially is it desirable that this view should be spread among the masses in industrial areas and in the villages where there is already a great deal of unemployment and under-employment and considerable consequent suffering. The Planning Commission entirely agrees about the need to hold the population, but it has provided only Rs. 65 lakhs for dealing with this problem in the next five years, that is 13 lakhs a year. It says we must make experiments, we must develop systems, we must do research, we must have two committees and when these committees have reported, then we must have a commission. The commission will evolve a population policy, which, of course, may or may not be followed at the end of it all. In the meanwhile your population will have increased by two crores.

What is really needed is of course a vigorous planned parenthood and population control campaign throughout the country. The spreading of knowledge regarding it is not difficult. An expenditure of Rs. 10 to Rs. 12 crores a year, mobile centres, one in each taluqa, in charge of a trained person, doctor or nurse, who would go round continuously to various places, small towns and villages, and explain simple methods to the people, would produce excellent results. Once the knowledge spreads among members of the sex to which control of the population is a matter of the most vital and personal concern—the women,—it would be automatically handed down. The prob-

lem is thus by no means insoluble. In rural as well as urban areas there is very little resistance to the idea of population control. On the contrary, there is quite often a desire amongst even the people whom we consider illiterate to know about it, as they feel deeply the oppression of having unwanted children. Failure to solve the population problem can ruin all attempts to obtain welfare.

Those who would plan for the welfare state must also avoid the evil of grandiosity, more especially when resources are limited. If you allow yourself not to think in terms of strict priorities and get led away into putting your money into pretentious schemes, all that you are doing is wasting your money. A foreigner, friendly to this country and very anxious to help, talking to me the other day, said "Really, you are an amazing people. You are attempting to have an atomic plant when there is not a proper foundry, the basis of all manufacture, in your country. For foundry work, you have to send things abroad, but you think it below you to concentrate on that kind of simple basic plant". His general view seemed to be that we suffered from the psychological vestiges of feudalism, which means that we, especially those of us who have power, still remain disciples of the Great Moghuls. We wish to impress much more than to do. We forget that when resourses are limited, the thing to do is to apply them where they will produce the most useful results, not necessarily most spectacular.

Quite a number of scientists and science students amongst us are very attached to fundamental research. Having started in fundamental research, they seem to believe they can spend the rest of their lives doing fundamental research. Now fundamental research is a good thing in the sense that a few years devoted to it gives a sound grounding in technique which can be applied in ordinary work of benefit of the country. If scientists,

however, think that all their time should be devoted to fundamental research, they are not likely to be very useful to the country. There may of course be rare exceptions. The thing to remember is that the aim of outshining other people instead of concentrating on what is most useful can have no place in the creation of the Welfare State.

Lastly there is implementation. "Wise men have always perceived", says an authority, "that the execution of political measures is in reality the essence of them." Tomorrow we shall deal with some problems of that execution.

LECTURE 3

Administration and the Welfare State

11*th February* 1953.

Mr. Vice-Chancellor,

I am very grateful to you, Sir, for the exceedingly kind terms in which you have referred to me. I have in reality done little to deserve the generous praise you have showered on me. It may rightly be ascribed not to my qualities or actions but to your capacity for appreciation.

My friends, I think I can rightly claim to call you my friends, for you have proved yourself to be that by listening most patiently and appreciatively to the two previous lectures. Not only has there been no violent reaction from you but even the questions you have asked here have been couched in very mild terms and many put in so low a voice that I have had to request you to repeat them. Consequently, I repeat, My friends, the subject we are dealing with to-day is of the highest importance.

A celebrated authority holds that " Administration is not only the faculty upon which social stability rests but is possibly the highest faculty of the human mind ". Why does he takes that view ? " Because, " according to him, " administration is the capacity of coordinating many and often conflicting social energies in a single organism so adroitly that they shall operate as a unity " and because " this presupposes the power of recognising a series of relations between numerous special interests,

with all of which no single man can be intimately acquainted ". We are further warned that " It is in dealing with administration that civilizations have usually, though not always, broken down for it has been on administrative difficulties that revolutions have for the most part supervened ". The point is, however bad a policy may be, it can be redeemed to a certain extent by good administration; but, however good a policy may be, it can be completely ruined by bad administration. Therefore, the quality of administration is really significant.

Now what is this administration ? All administration consists in the doing of things, or in getting things done. Often getting done and doing are the same process; they may also be two separate processes. The questions that arise in any administrative matter are: What is the problem ? What is the objective or what do we want to do ? What are the resources that we have for what we want to do ? What are the agencies to whom we shall entrust what we want done ? In any problem of administration, whether it be evolving a policy, building a canal system or laying a street pavement, these questions, separately or in combination, arise.

When you have an organised Government and it has to do a certain number of things again and again, it employs a regular agency for doing them or a regular agency comes into being for the doing of things which form the natural function of Government. Many people say this 'Welfare State' idea is new. In order to achieve it, you must have something really unique, a novel kind of administration. It must be utterly different from the ordinary machinery of administration, if it is to work. A full realisation of the problems of welfare administration will show, however, that they cannot be separated from those of ordinary basic administration. A country's administration is one and indivisible. A wise friend once said to me ' You talk a great deal about welfare nowadays. Do you know how much welfare is lost

when a corrupt and stupid officer is posted to a responsible appointment and what a tremendous increase in welfare there is when he is replaced by a sensible and honest officer ?" Welfare administration includes basic administration. It is a growth from it and does not dispense with the need for good basic administration. You may have all the extension services and all the development facilities in the world, and you may spend large sums of money on improved seed and put masses of fertilizers into the ground, but at the same time if you cannot prevent X from encroaching on Y's land or you cannot get that land cleared of X's encroachment and when there is a faction fight in which three people are killed, you cannot stop the fight, establish proper order and bring the assailants to trial, your money on fertilizers and extension services is not going to be particularly useful. Only when fair and regularly fixed basic administration is available, do all these additional amenities, certainly most desirable and to be encouraged, produce their full effect. They can never besubstitutes for it nor can their availability be any excuse for not keeping basic administration up to the highest level. Simple law and order, due course of justice, regular inspections, basic records properly kept, all these cannot be given up. There is no room for competition between normal and welfare administration. The latter, in fact, is but an extension of the former. Those who seem to think you can dispense with basic administration altogether, because you are going to have welfare administration are not only mistaken, but are sowing the wind and it will not be long before they reap the whirlwind. Welfare activities are important activities, but they cannot be independent of good basic administration. That is a point to be remembered at the present time, when there is a tremendous wave of wishful thinking on this subject.

In the present context, the problems of Indian administration may be said to arise out of a number of transitions which happen to have been more or less simultaneous. We have the transition from British rule, under a mixed system of autocracy and democracy, to independence and Indian rule under a full-fledged democracy. We have the transition from a homogeneous pattern of administration, the old British Indian pattern, to a mixed pattern, British Indian and Indian State. The Indian States, as you know, had their varying systems of administration and these have also had to be considered now. At the same time there has been the transition from "law and order" administration through war-time administration to 'welfare' administration; war-time administration involved a certain amount of welfare, and later, since the end of the war, the emphasis towards welfare has increased The fourth important transition has been from relatively adequate cadres to relatively inadequate cadres and from relatively well-trained personnel to personnel which is not so well-trained; this transition is especially noticeable in respect of the higher rungs of Government service all over the country. Finally, there has been the transition from a virtually unitary system to a completely federal system. The provinces, whatever the formal appearnce, were very much under the control of the Centre. Now we have a true federal arrangement, a great change indeed. It is fortunate, and we must pay tribute to the polotical wisdom of our leaders, that this change has not been allowed to produce a detrimental effect. Inherent in it is the possibility of grave consequences, so that its working will always need close attention and wise management.

It thus appears that the problems of administration that arise today have their origin in change in the character of Government, integration of territory, expansion of activity, contraction of personnel and alteration of framework and powers. That

inspite of the numerous and difficult problems arising from these causes, the administration has not only continued to function reasonably but has also quite a number of achievements to its credit is a tribute to the soundness of the administrative core and a measure of the impetus it brought with it from the past. It is but fitting that at this stage we should give full credit to the men of the past, who organized this system of administrtion and who trained the officials of our time. Though many of them were famous, they were

> Men of little showing,
> And their work continueth,
> Broad and deep continueth,
> Greater than their knowing.

The very fact, for instance, that the Government of India has been able to deal so creditably with the refugee problem, or that the General Elections have been conducted with such fairness and efficiency shows what your administration can do when it is put to the test and shows what also how much it merits your esteem.

Let us next consider what the administration was like just before the beginning of the last war. From the year 1920 to the year 1939, the tasks of the administration were, roughly speaking, those of the security state, maintenance of order, enforcement of due process of Law, keeping the land free from disturbance and ensuring peace and settled government. This involved the maintenance of efficiency in all basic matters. Crime must be kept down; the record of rights must be accurate; touring must be thorough and proper; errors must be promptly reported and corrected; confidential records must be written accurately and kept in good order; the subordinate magistrates and the administration generally must be well supervised; delay in work must be avoided; the confidence of subordinates must be preserved and increased

by fair dealing, observance of merit in promotion and considerate treatment; justice must be meted out impartially to everybody.

At the same time, there was no question of attempting to alter fixed economic patterns. The State as such did not enter into the economic field at all. Now and again you might find an official interested in cooperation, education or village industries and rural uplift. But by and large, the State did not think it its duty to encourage economic progress. *Laissez faire* was the prevailing economic theory and the climate of the times was opposed to state intervention. The development of irrigation and of power were, however, considered fit economic functions of the State and to that period we owe for instance the great Hydro Electric schemes in Madras, the Lloyd Dam in Bombay and the Sukkur Barrage in Sind, This was the kind of state from which we are moving on now to the Welfare State via a certain forward movement to Welfare during the war period.

With this in mind, let us Cast a glance first at the problems that arise from the change in the character of Government. Obviously the first is that of a new Government and old Government servants, in other words, the problem of the Minister and the Officials. I shall try and give you a couple of instances which will perhaps shed more light on what this means than mere description, however lengthy, would. In a state not far from here but not this, there was recently a conference called by the Chief Minister. Many officers had to be present; every single officer who held a district charge of any kind had been ordered to attend at the State capital. Having got them there, for an hour and ten minutes the Chief Minister lectured them. He went through the long list of their faults, incidentally suggesting that if there was a revolution it would be their doing and even dwelling at length on the vicissitudes of their fate in such an event. This undoubtedly must have encouraged the

officers! In any case, you now see the kind of incident that is part of this problem of the Minister and the Government servant. The Chief Minister should have known that if you want good work from people, even assuming that they are not particularly good, you do not scold them at length in a large meeting. The only reaction you are likely to get, if you do things like that, is a sense of internal rebellion. "What the devil?" the official will say to himself, "Shall I kill myself working for this kind of person?" That is only natural.

Let us take another instance. In another state which also is not very far from here but which again is not this, a new Chief Minister came into power immediately after the General Election. This state had a very unsavoury record before the election. Neither had its Government been efficient nor many of its members honest. The new Chief Minister grappled with the situation firmly. He appointed Ministers on whose integrity he could rely. He told the legislators to keep themselves away, along with their requests, from the Secretariat and not interfere with the officials. He put heart into the officials by having them up one at a time, talking to them individually about their duties, saying he was perfectly satisfied they had the right conception of their work, that he expected them to live up to it and was certain their behavior would be in accord with the highest traditions of the past. In that state there has been a remarkable change for the better. The sagacity of the Chief Minister has been responsible for a striking increase not only in good administration but also in welfare. I personally do not agree with some of the most important policies of this Chief Minister. At the same time there is no doubt that he does know the art of administration. He can co-ordinate things; he has the power of recognising a series of relation between numerous people with all of whom no single man can be intimately acquainted and he

is able, having this power, to produce results; whereas the other man with the best intentions in the world can only produce discouragement and chaos.

The fact is that there has not yet been attained that homogeneity between the servants of the higher grades and the Ministers that is necessary for good government. That homogeneity cannot come either by a slavish giving up, in deference to the Ministers' views, of what the servant considers right, or by a rigid insistence on what may not be right. It can only come from a desire on both sides to work together for the common good, without in any way departing from principle. This important problem is in some places well on the way to solution; in others there is continuous, recurring trouble. It arises perhaps to a certain extent from a not uncommon misapprehension. Consider from the constitutional aspect what exactly is a Minister. A Minister is a servant of the people who is elected by the people in order to govern on their behalf, to formulate policies and to see that those policies are carried out. What is a Government servant? A Government servant is again a servant of the people who is placed in a particular position in order to carry out the policy formulated by the Ministers or by Government, that is, by a set of servants of the people who are placed above him by the will of the people. Essentially, therefore, a Government servant and a Minister are both servants of the people. A government servant is not the servant of any Minister. Both have a common master, the people. That is a fact which ought prominently to be in front of the minds of all Ministers and government servants; for, as the sages have said, once status is misunderstood the world cannot be at peace.

If both recognise that they are servants of the people and that the latter is not the servant of the former, then it follows that they are both colleagues mutually engaged in the common

task of working for the benefit of the people. If two people are colleagues and one happens to be the senior, his whole approach to the other is different from what it would be if he proceed on the assumption that the other was his servant. It is true that a stage of civilisation has been reached in which decent people are expected to treat their servants well and to have a considerable amount of confidence in them. Yet human nature being what it is, the realisation of this relationship of the colleague between the Minister and the Government servant may be very useful. Even the *chaprasi* has the same status of colleagueship with the Minister and with the higher servants, and it is desirable that this understanding of the correct position should be clear to all the parties concerned. From it there follows one other consequence. If you are my senior colleague and I am your junior colleague, since we are both engaged on the same task, I have the right to warn you. I have the right to say to you "My dear Sir, let us not do this because if we do, it will be disastrous for these reasons" or to say when you propose something that "it seems to me wrong" and to suggest reconsideration. You, as my senior colleague are bound to listen to my opinion with respect. You may overrule me but at the same time you cannot hold it to be impertinence on my part to venture an opinion. From the point of view of the Welfare State, in which many new ideas have to be applied and many new schemes experimented with, this conception of the colleagueship of all public servants, the Minister, all officials, high and low alike, is of great importance and its proper understanding can be a real contribution to efficient working.

The other point which arises from the change in the character of Government and from the fact that if has now become clear that the Government servant is a servant of the people, is the need for special responsiveness on the part of

the government servant to the wishes of the people and their real interests. The Government servant of the past could afford ometimes to stand quite aloof from his surroundings and co-tent himself with the idea that he was doing his part by administering even-handed justice and preserving peace. The Government servant of today must certainly do that, but all his work and character must be stamped with responsiveness. This responsiveness may take many shapes. It may make itself apparent by greater considerateness, reduction of delay in dealing with people or papers, in the whole method of approach due to the feeling that he is really a servant of the people and that the sole purpose of his existence in that particular capacity is service to the people. So far as I have been able to make o[illegible] this responsiveness is increasing. If, as a result of it, all avoi[illegible]-able delay could be eliminated, a great deal would be gained and much satisfaction given to the public. These, then, are some of the principal problems that arise from the change in the character of Government.

Next is the problem which has its origin in the integration of territories. To form some states, two or more areas which were different administrations in the past have been joined together. Some of the people have loyalty to one area and others to another. For the new State as such, there is as yet little regard. Both these loyalties are easily understandable and those who hold them deserve sympathy. Again, there are the loyalties to the hereditary rulers of these areas in the past. These too are understandable. The fact remains, however, that all these old loyalties are disruptive. They interfere with the loyalty to the State as a whole and the loyalty to the country. Consequently, they have to be eliminated, but they cannot be eliminated if the ministers and the officers of these areas continuously behave as if they were actuated by the motive of pre-

serving those loyalties. The total elimation of these loyalties may take time and tact, but it is inevitable. Perhaps it can be helped by spreading in the administration a leaven of experienced officers from outside, who have none of these old encumbrances.

Then we have the problems which arise from the extension of activities. We saw yesterday the need for the state, if wealth was to be created, to build up and run a large number of enterprises itself. You cannot really hope for any substantial increase in national wealth unless the state gathers to itself all the profits of large enterprises in the future. If the state is to own these enterprises it must be prepared to learn how to manage them, and how to train people to manage them, how to see that they are well managed and how at the same time not to interfere unduly in their management. Business managemen by Government means combining flexibility and imagination with certainty and integrity. For the successful running of state enterprises, the flexibility of business must be joined to the certainty of Government; the imagination of business to the integrity of Government. That state enterprises can be successful there is no doubt. In some places success has been attained by adopting for them a form and method of work different from that usual in normalgovernment functioning.

They can be converted into joint stock companies or statutory corporations. You must see of course that the direction of the companies or corporations is placed in the hands of people of proved integrity and considerable business ability. You should place adequate funds at their disposal and leave them to run the concerns as if they were their own businesses. Continuous interference in day to day working can be quite disastrous. But control can be exercised in various ways. Annual reports can be submitted, placed on the table of Parliament or Assembly

and discussed there in great detail. Annual budgets again can be submitted and discussed fully by Parliament. For the rest, the men chosen must be free to carry on the business. They should be able to hire and fire staff. If you are not satisfied with the Board, get rid of it, do not just keep on interfering. Get in a new batch of people in whom you have confidence. If this line is followed, the results, more often that not, will be satisfactory. For there is no doubt that in this great land of ours there is a sufficient amount of public spirit to make such boards work well. Quite a number of people are prepared to sacrifice their time and their interest for the public good. Even among businessmen, whose time is extremely valuable in terms of money, it ought not to be difficult to find some. They must, naturally, be people of proved integrity, because, if not, the whole thing crashes. If you have people about whom there are doubts, you will feel suspicious about them and you cannot really trust them. Again, all the time the interests of the consumers have also to be kept in mind; there must be no conspiracy, just because the enterprise belongs to the state, between labour and management to push prices up for the benefit of one another and to the detriment of the citizen.

Expansion of governmental activities also takes the form of the Community Projects spread all over the country. The idea seems to be to take a certain area and develop it intensively over a period of years. The income in that area rises. Then you go on to another area. Such expansion of activity is certainly desirable. At the same time it does seem to create a certain amount of jealousy in the areas which do not receive this treatment. The people of the other areas are also taxpayers. It may be possible to say to them "Well, we shall deal with your areas five years hence." But they might very well ask from where the money is to come from five years hence.

Your answer may be "the areas which are being developed now will make so much money that we may be able to take some of the money from them". Thereupon the question will arise "What arrangements have you made to siphon off their increased earnings? What arrangements have you even made to see that the increased earnings from development go to keep up the activities which this development brings about, so that Government may not have to continue to spend on them hereafter"? These Community Projects are the result of American aid and unless it can be regarded as certain that American aid for this purpose will continue, the optimism about them may not seem so justified, after a few years. However, for the present, there has been expansion of activity and the administrative answer to that expansion of activity has been the creation of a new type of officer at the lowest level, who combines in himself various functions that belong to different departments, agriculture, health, animal husband, etc. This seems to be a move in the right direction of reducing the number of governmental agencies with which the farmer has to deal, so that there can be better understanding and co-ordination. Upto now, so far as one can be made out, the results achieved have been fairly satisfactory, though of course they vary a great deal. This type of activity seems a definite step forward, though finance is likely to remain a problem.

The transition from relatively adequate cadres to relatively inadequate cadres, from relatively well-trained personnel to not so well-trained personnel also raises difficult problems. You have only got to go round to any Secretariat nowadays to see the relatively inadequate and not so well-trained men-in-charge because the well-trained and adequate personnel has been greatly depleted. Again, many persons, who in the normal course would have been glad to retire as District Deputy Collector, are now,

after only 15 years of service, already acting as Collectors. That is not a phenomenon which we can hope to cure. It is a transitional incident. Let us hope its duration will be short. It is, however, a problem of administration which affects welfare, because whatever you do has ultimately to be done by men and the quality of the men, their experience and training, are important factors in deciding what you can do. In circumstances like this, the best you can do is to see that the lack of experience of these men is made up, as far as possible, by giving them training and continuous attention. Supervision over their work should be more than would ordinarily be necessary. Their training should be more prolonged and intensive. In the normal course, an officer received no training as such except in the earliest years of his service. After that he would just learn as he worked. But for people in this position very special efforts ought to be made by State and Central Governments to give them special training courses, senior officers being posted for that purpose to the districts, where necessary.

In fact, of course, we find the extraordinary situation in many parts of the country that at a time when supervision and guidance is most needed, the highest supervisory posts have been or are being abolished. Where an increase is fully justified. the wisdom of present day authority dictates elimination. If there was one supervisory officer or Commissioner for seven districts in the past, at a time like this you ought to put in one for five districts, so that the standard of your work can be kept up. Instead of that, you do without any supervision at all. It means this : your personnel is weak ; you make no guidance or supervision available to that personnel ; you load it with more work than in the past, and you expect efficiency. Now, this sort of thing in any business would be considered absurd. The business of Government is the business of everyone of us.

Therefore, this is not a matter which does not affect you. Do not think of it as a question of a few posts. It is a point of very considerable interest to all of you and to the public generally.

Further, what are you doing to train new personnel? So far as I can make out, training facilities for them are very inadequate. There is none of the personal training of the past; no particular effort is directed towards seeing that your officers imbibe proper and right ideas. The result is that while the material itself is quite good, while the young men compare well with young men at any time, after a couple of years or so they do not seem to refeect that quality to which their original worth entitled them. How little attention is paid to training can be seen from the fact that the Government of India school for the training of officers of the Indian Administrative Service is still without a full-time Principal. Now, you cannot have a Welfare State with ill-trained men. You ought not to expect a Welfare State in these circumstances. However extensive and cogent your schemes, men are needed to work them, and on the quality and equipment of the men depends success or failure. Money spent on proper training will pay for itself several times over.

In reruitment, we follow the usual system of having examinations which presuppose the attainment of academical standards. There is a *viva voce* test in many examinations; and nowadays the new technique of a psychology test is also sometimes employed. One important point in recruitment is to see that all your officers, of whatever department, have a rural bias. Most of our people live in the rural areas; most of the welfare work must be done in the rural areas. But most of our officers come from the urban areas, because the system of education is more advanced there. If then, you are to be fair to the rural areas, you must see that these urban young men have a real rural

feeling. If necessary, this feeling should be created in them by sending them out into the rural areas, keeping them there, letting them live among the villagers for sometime, so that they can develop a special sympathy for rural life and its conditions.

Next, we come to the problem that arises from the change in the nature of the powers and the framework of government, that is, in the change from the virtually unitary government of the past to the completely federal government of the present time. It is true that there are other countries too which have the federal form of government and it is also true that there is a certain division of powers there. But in almost all those countries many of the powers which we leave to the States are still reserved to the Central Government. Further, the Central Government has its own agencies operating in the States for the performance of many duties. For instance, in America, you have the F. B. I. which covers the whole country and is really the police force of the Central Government. It sees that Central legislation, in which is included a much wider field than here, is observed. That, in a sort of way, also helps to maintain central authority over the states. Now, what is our position here? You have Central and State powers clearly demarcated; then there are certain concurrent powers. State powers cover a very important field. Development, agriculture, law and order, etc., are all within the ambit of the State and the State really can do, more often than not, what it likes in these matters.

It is true that because the party in power has been the same in all the States and because the leader of the Party has upto now had a great hold over his followers throughout the country, because of these two factors, one personal and another party, no important conflict has come to light on any fundamental matter. But assume that a party which is not the party in

power at the Centre becomes the State Government in some provinces. Assume that that party has not the same respect, as naturally it will not have, for the leader. Then even the organic unity of the country can be at stake. Even now, the general approach of the States to the Centre is "why are these federal people interfering with us ? Why do not they hand over the money and keep quiet ?" There may be something to be said for this attitude in regard to some matters. Generally speaking, however, considering the importance of development work, and the funds provided by the Centre for expansion activities, it is not a particularly healthy point of view. After all, you, as a tax-payer of this country, are as interested in the proper management of the Bakhra-Nangal Project or the Damodar Valley Project as I, another tax-payer, am in the proper running of your Nepa Mills here, because we both are Indians. If your Government does not run the Nepa Mills well or the West Bengal Government interferes in the Damodar Valley Project or the Punjab Government does not do its duty in the Bakhra-Nangal Project, it is your and my money that is being wasted. It is our reputation as Indians that is being lost.

There is no reason why in the last resort, the Centre, as the real representative of all Indians, should not step in to remedy such matters or stop misgovernment when a certain stage has been reached. It would seem very desirable that the States should recognise their responsibility to the Centre, because in doing so, they also recognise the fact of the unity of the country and their position as Indians. Directives to the States can, of course, even now be issued on certain points. But the process of issuing directives is always one from which Government is likely to shrink. From the point of view of welfare administration, the matter has a special significance. The Centre supplies funds to be spent on development and welfare ; the State has also funds for similar expenditure. What happens

if the state begins to cut down its expenditure for this purpose because it is receiving central funds ? All planning might be upset. It is essential to recognise that the Government of India represents the whole of India, while a State Government represents only its own particular areas. There should be no unwillingness on the part of the States to listen to the advice of the Government of India and to adopt policies in line with those of the Government of India. And in the last resort, the people of the States themselves, in the event of a conflict, must be prepared to rally to the support of the Government of India, because it is most unlikely that in such a conflict the real interest of the State will be opposed to those of the Government of India. More probably, it would be the sectional interests of the individuals running the State that would be affected.

There are two other matters to which I would invite your attention as being essential for the proper management of a country which is moving towards welfare. Efficiency in administration is one. As I was explaining elsewhere this evening, it is wrong to expect of Government the kind of quickness which you find in a business. I mean, for instance, a letter is sent today, the reply comes tomorrow, everything is settled promptly and the whole transaction finished in two days. The nature of Government renders that kind of speed in disposal difficult, because it differs very considerably from the nature of business. If a business is your own, you are responsible to nobody except yourself. If you are a Managing Director, you are responsible only to your Board and generally it is possible to consult the members very quickly, often by word of mouth. They also almost invariably give you plenty of discretion. In Government, the Ministers, the officers, the whole organisation is responsible to the people. In a business, nobody is going to question you. And if anybody does question you, there need be no more answering than "Well, I or we thought it was the best

thing to de in the circumstances". Government cannot say that. It would be questioned in Parliament. It must produce clear proof all the time that its actions are *bona fide*; that what it does is fully justified; that it has considered all claims; that it has not treated one case differently from another; that there has not been favouritism. And in order that it should be able to do this, there must be clear records kept, precedents must be looked up, there must often be reference to higher authorities and so on. Suppose, you are selling a house to Mr. X, you can probably conclude the transaction in half an hour; he can give you the cheque and you can sign the sale agreement. But if Government has to sell land, the selling authority must be different from the ordering authority. A notification must be issued to everybody who may or may not be interested. It has to be seen that everything is done in proper form. Therefore, those people who maintain that Government is inefficient because it does not act with the speed of business are not correct. They fail to take into consideration the accountability of Government and the probability of its having to answer any charge at any time. Five years hence the point may be raised in Parliament. So, the record has to be written properly and kept for particular periods. Also in government work, there has to be a great deal more of consultation before decisions can be taken. After all, when the matter is really important, even the Minister concerned cannot decide it on his own. It has to be referred to the Council of Ministers, because all Ministers are jointly and severally responsible. Also, they need the assistance of their subordinates in formulating policy. The subordinates have to give the facts and express their opinions. Often they have to get the facts from other subordinates. All this must mean more delay than in ordinary business. It is for the people to recognise that this is inevitable and that it is so in their own interests.

However, when all this has been said, it must be agreed that there has been deterioration in efficiency. Just before I came here, the young gentleman who was so kindly taking me around in his car, turned in the driver's seat and said "It is all very well for you to go on talking about this Welfare State, but let me tell you the inefficiency in government is sickening. I get no answer to my letters, even when my requests are extremely simple and I cannot just get ordinary orders unless I go and see people; otherwise there is unconscionable delay." Well, a reason for some of this delay may be the relatively inadequate cadre, or the not so well-trained personnel. A good, deal may also be due to lack of supervision and to the fact that the spirit of the supervisor, the high official, may have been broken. After all every human being, unless he is exceptional, will follow the standard of those above him. If their standard of efficiency is not high, and their appreciation of the difference between good work and bad work is indifferent, that is bound to have an effect on the people who work under them.

This is of course a matter of the greatest importance for the Welfare State. A great deal of the possibility of welfare depends upon evoking the right response from the people. The right response, even if it has been evoked once before, cannot continue if you delay matters, if you are inefficient, if you promise and do not fulfil in time. I was told of a recent case. In a Community Project, the officer on the spot promised the men that if they made a road, Government would put up the bridge and culverts. Later on, it was decided at a higher level that this need not be done. The workers of the village thereupon left the road half-finished. When asked why and urged on, they said "You have not kept your promise ; do not expect anything from us". Fortunately an inspecting officer happened to visit the spot and heard the story. He went round to the State capital, said "Look here, you cannot let the road

remain half-finished ; your officer had given the promise to help", and he at last persuaded the State Government to agree to the promise being kept. Now if this had not been done, the work would have remained undone and even worse, the people would have been greatly disspirited.

There is nowadays a great deal of talk about enthusiasm as a motive force for action. Enthusiasm is sometimes effective in the short term, but it is not a method for achieving any long-term results. It is like a fire made with hay which goes up in a blaze and is quickly out. You cannot cook your dinner by it. For that you need a steady flame, and that is the confidence the government can inspire among the people by its sympathy, not in words but in action. Instances like the one I gave you not only destroy confidence but generate a feeling of antipathy. There is no reason why with proper supervision and with harmonious working, even allowing for depletion of strength, there should not be a great deal more of efficiency than there is. Harmonious working means taking all possible steps, including raising the spirit of your officers and punishing where punishment is due as, for instance, where ministers or officers allow their work to be affected by their special relationships. That kind of thing leads to a great deal of general inefficiency on the part of officers and of ministers alike. That inefficiency can be very greatly reduced where such factors have no play is clear from the instance I gave of the Chief Minister in whose state rampant inefficiency and maladministration was brought under control by personal example, preparedness to take steps even against politicians and necessary encouragement to all ranks.

Then there is integrity, when all is said and done, the basic test of good Government. The people must feel that their government, at any rate in its higher ranks is honest in every respect, not only in regard to money. Now, there is the virtue

that may be termed private. Most of us feel very strongly about this private virtue. We regard it as a responsibility of ours to see that our relations, friends, community people, etc., are looked after. It is an important aspect of our code, so to speak. We say, after all these are obligations which a man must discharge. But this private virtue often conflicts very strongly with public virtue. Public virtue demands that those in authority, whatever the position they hold, shall behave with the same spirit and in the same manner towards all citizens. They shall not make opportunities for some and cause disadvantages to others. There shall be completely fair dealing.

This private virtue is really a factor of great significance in the preparation for a Welfare State. For if this private virtue predominates, distrust is inevitable and distrust does not help that cohesion, which, I pointed out on the first day, was absolutely essential for a welfare state. Integrity in every sense is absolutely necessary for all servants of the people, whether Minister or official. Lack of integrity is the primary sin. The public should be extremely vigilant about this particular issue because it is basic. However clever you are, if you are not honest, what is the good of your cleverness? I would much rather have a stupid man in a position of authority, a man of slow understanding to whom a case may have to be explained four times before he grasps it, provided he is honest. If, in addition he has commonsense, there is little more to be desired. Good government is not necessarily brought about by brilliant abilities. Very often a government of ordinary men produces good results. But without honest Government there cannot be good government. Honesty is absolutely essential, and it is the duty of the public to see that they get it. Not only must they insist on its maintenance, they in addition must demand that it be demonstrated on every relevant occasion.

Another point of special importance at the present time is the recognition of the force and power of tradition. The erudite foreign experts who have been going round in large numbers sometimes tell you that the idea of having services has little to commend it. The tasks of administration would be done better by taking on anybody suitable and they suggest that you should extend the scope of your recruitment, appoint people for a few years, then turn them out and take in others. They, in fact, desire to follow the system prevalent to a large extent in some countries, though of course, even in those countries permanent employees of government, known as career civil servants or career diplomats, are quite common. However, they seem to be inclined to hold that the maintenance of services proper in our sense is not particularly desirable. Holders of this view entirely neglect the beneficial effect of tradition, which is indeed a very strong force. Morale often has its origin in tradition and many a man in an extremely difficult situation has been kept firm, steadfast and honest by morale.

Therefore, whatever the advice of travelling experts, it is not in the true interests of the Welfare State that the service pattern that has been used in the past with conspicuous success should be broken up. Flexibility can often be obtained by proper training. For that such changes are quite unnecessary. The real comparison is with a regiment. The fact of belonging to a famous regiment often makes men fight better than they otherwise would. Most men are afraid in battle and will admit it, if they are honest, but often the reputation of their unit keeps them firm. So, too, the Civil servant carried on as he should in difficult circumstances, not because he was inspired, not because he felt no qualms and hesitations, but because it was the thing his service expected him to do. The traditions of his service demanded that he sould be courageous in all situations, however difficult. They demanded that he should not tell lies though

the truth might go very much against him, might even bring him in danger of dismissal. They demanded that he should take full responsibility and never let down his work. Such traditions are not to be lightly thrown away. Their maintenance in present times is likely to prove of the greatest value. They can best be nurtured in the service pattern and I commend it to you because it adds strongly to the elements we wish to maintain in our public servants, especially integrity.

These last three days I have taken up a great deal of your time. I thank you for your patient and understanding attention and would like to conclude by quoting a stanza, a special favourite of mine, which it seems to me might well be the motto of those who wish to bring into being the Welfare State.

> But thou, want not, ask not,
> Find full reward of right in doing right.
> Let right deeds be thy motive
> Not the fruit thereof, and live
> In action, labour, make thy acts
> Thy piety, contemning gain and merit,
> Equable in good and ill.